



February 25, 2005

SENATE BILL No. 253

DIGEST OF SB 253 (Updated February 23, 2005 1:44 pm - DI 104)

Citations Affected: IC 27-1.

Synopsis: Insurance mandate review task force. Adds one member and provides for per diem payment and cost reimbursement for members of the task force to review mandated benefits and mandated benefit proposals. Specifies certain requirements for the task force. Expires the task force on December 31, 2010.

Effective: July 1, 2005.

Ford

January 6, 2005, read first time and referred to Committee on Health and Provider Services.
February 24, 2005, amended, reported favorably — Do Pass.

C
o
p
y

SB 253—LS 6922/DI 97+



February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 253

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-3-30 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) As used in this
3 section, "accident and sickness insurance policy" has the meaning set
4 forth in IC 27-8-14.2-1.
5 (b) As used in this section, "health maintenance organization" has
6 the meaning set forth in IC 27-13-1-19.
7 (c) As used in this section, "mandated benefit" means certain health
8 coverage or an offering of certain health coverage that is required
9 under:
10 (1) an accident and sickness insurance policy; or
11 (2) a contract with a health maintenance organization.
12 (d) As used in this section, "mandated benefit proposal" means a bill
13 or resolution pending before the general assembly that, if enacted,
14 would require certain health coverage or an offering of certain health
15 coverage under:
16 (1) an accident and sickness insurance policy; or
17 (2) a contract with a health maintenance organization.

SB 253—LS 6922/DI 97+



C
o
p
y

(e) The commissioner shall establish a task force to review mandated benefits and mandated benefit proposals.

(f) The task force must consist of ~~nine (9)~~ **ten (10)** members appointed by the governor as follows:

(1) Two (2) members representing the insurance industry.

(2) Two (2) members representing consumers.

(3) Two (2) members representing health care providers.

(4) Two (2) members representing the business sector.

(5) One (1) member who is an independent actuary.

~~(5) (6)~~ The commissioner or the commissioner's designee.

A registered lobbyist may not serve as a member of the task force.

~~(g) Members of the task force shall serve on a voluntary basis without reimbursement.~~

(g) Each member of the task force who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the task force who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) Each member of the task force shall attend at least fifty percent (50%) of scheduled meetings. A member who does not comply with this subsection is subject to replacement by the governor.

~~(h) (j)~~ The department shall provide administrative and actuarial support for the functions of the task force, **including the use of the services of the department's actuary as necessary for the completion of the duties of the task force under this chapter.**

~~(i) (k)~~ Upon the:

(1) request of the legislative services agency on behalf of a member of the general assembly; or

(2) determination of the task force;

the task force shall ~~review mandated benefits and assess the social, medical, and financial impacts of at least one (1) mandated benefit proposals as determined by the members of~~ **or one (1) mandated**

C
o
p
y



benefit proposal each year.

(I) In assessing a mandated benefit or mandated benefit proposal, and to the extent that information is available, the task force shall consider:

(1) social impacts, including:

(A) the extent to which the service that is the subject of the mandated benefit or mandated benefit proposal is generally used by a significant part of the population;

(B) the extent to which the health coverage is already generally available;

(C) if the health coverage is not generally available, the extent to which the lack of health coverage results in unreasonable financial hardship;

(D) the level of public demand for the service that is the subject of the mandated benefit or mandated benefit proposal;

(E) the level of public demand for the health coverage; and

(F) the extent to which the service that is the subject of the mandated benefit or mandated benefit proposal is covered under self-funded health coverage provided by Indiana employers that employ at least five hundred (500) employees;

(2) medical impacts, including the extent to which the service that is the subject of the mandated benefit or mandated benefit proposal is generally:

(A) recognized by the medical community as effective in patient treatment;

(B) demonstrated by a review of scientific and peer review literature to be recognized by the medical community; and

(C) available and used by treating physicians; and

(3) financial impacts, including the:

(A) extent to which the health coverage will increase or decrease the cost of the service that is the subject of the mandated benefit or mandated benefit proposal;

(B) extent to which the health coverage will increase the appropriate use of the service that is the subject of the mandated benefit or mandated benefit proposal;

(C) extent to which the service that is the subject of the mandated benefit or mandated benefit proposal will be a substitute for a more expensive service;

(D) extent to which the health coverage will increase or decrease the:

C
o
p
y



(i) administrative expenses of accident and sickness insurers and health maintenance organizations; and

(ii) premium and administrative expenses of individuals covered under accident and sickness insurance policies and health maintenance organization contracts;

(E) impact of the health coverage on the total cost of health care in Indiana, including any potential cost savings that may be realized through the mandated benefit or mandated benefit proposal;

(F) impact of all mandated benefits on the ability of employers to purchase health coverage that meets employee needs;

(G) extent to which the financial impact of all mandated benefits, including the mandated benefit or mandated benefit proposal under consideration, will affect employee wages and compensation; and

(H) extent to which the financial impact of all mandated benefits, including the mandated benefit or mandated benefit proposal under consideration, will affect hiring practices of Indiana employers.

(m) The task force shall annually determine the full cost of all existing mandated benefits in Indiana as a percentage of:

(1) Indiana's average annual wage; and

(2) health coverage premiums.

(n) In making the annual determination under subsection (m), the task force shall consider the full cost of existing mandated benefits under:

(1) a typical group and individual:

(A) accident and sickness insurance policy; and

(B) health maintenance organization contract;

in Indiana; and

(2) the state employee health plans provided for in IC 5-10-8-7(b) and IC 5-10-8-7(c).

(o) The task force may contract for professional services as necessary for the completion of the duties of the task force under this chapter.

(p) The task force ~~and shall~~ report the findings of the task force in an electronic format under IC 5-14-6 to the legislative council not later than ~~December 31~~ November 1 of each year.

~~(j)~~ (q) Any recommendations made by the task force must be approved by at least ~~five (5)~~ six (6) members of the task force.

~~(k)~~ (r) The department may adopt rules under IC 4-22-2 to

C
o
p
y



- 1 implement this section.
2 ~~(t)~~(s) Information that identifies a person and that is obtained by the
3 task force under this section is confidential.
4 **(t) This section expires December 31, 2010.**

C
o
p
y



COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 253, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 31, delete "A member may attend meetings via teleconference."

Page 2, line 33, delete "." and insert **", including the use of the services of the department's actuary as necessary for the completion of the duties of the task force under this chapter."**

Page 2, line 35, after "request" insert **"of the legislative services agency on behalf"**.

Page 4, line 31, delete "actuarial services and other".

Page 4, line 32, delete "." and insert **"as necessary for the completion of the duties of the task force under this chapter."**

Page 4, after line 41, begin a new paragraph and insert:

"(t) This section expires December 31, 2010."

and when so amended that said bill do pass.

(Reference is to SB 253 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

C
o
p
y

